

AWE Explores Taranaki Basin With Mitsui

Australian Worldwide Exploration (AWE) reports that it has entered into a new exploration agreement with Mitsui in the offshore Taranaki basin in New Zealand.

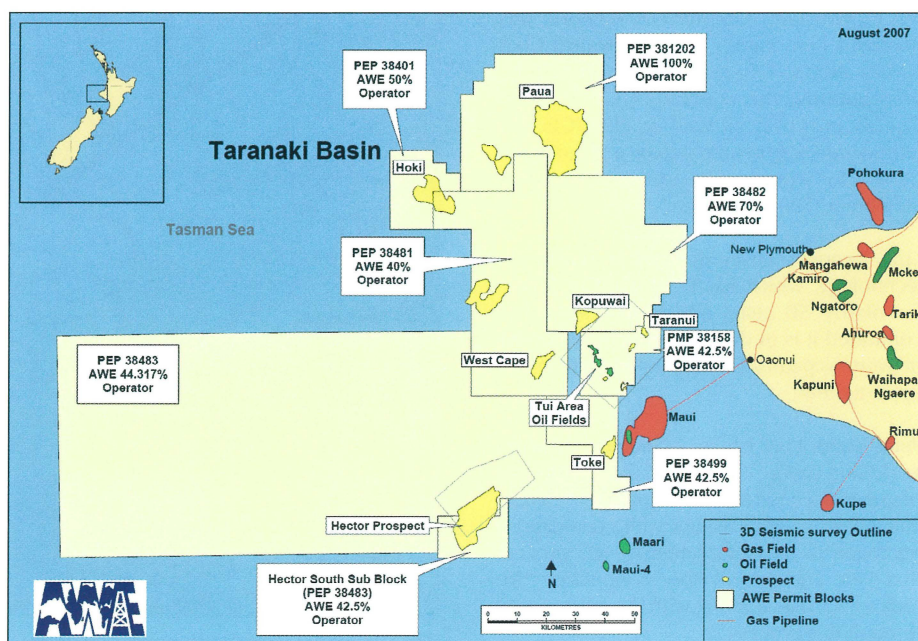
Under the agreement, Mitsui E&P Australia Pty Limited will earn a 30% interest in exploration permit PEP 38482 by paying 60% of the costs of the next exploration well, which is expected to be Kopuwai-1, in the PEP 38482 area.

AWE's equity in the permit increased to 100% following the recent withdrawal of the previous permit joint venture partners. However, this farmout agreement with Mitsui will result in AWE retaining 70% equity after funding only 40% of the Kopuwai-1 well cost.

The Kopuwai prospect is located approximately 20 km from the Tui Area Development. The Kopuwai-1 well is currently expected to be drilled in September – October 2007, towards the end of AWE's current New Zealand drilling campaign.

The prospect has a mapped closure extending to 30 km² with potential in excess of 100 MMbbl of recoverable oil. The primary objective of the well is the Kapuni F Sand sequence which is productive at the nearby Tui, Amokura and Pateke oil fields and also at the giant Maui field.

Bruce Phillips, AWE's Managing Director, said, "This transaction enhances the already strong



AWE's interests in the New Zealand Taranaki Basin.

AWE-Mitsui alliance in Australasia. Mitsui has consistently proven to be a strong, reliable and knowledgeable joint venture partner for AWE."

"AWE and Mitsui share a belief in the potential for substantial new oil discoveries in the area

around the Tui Area Development, where even modest exploration success could be commercialised rapidly by accessing the nearby Tui production facilities. We look forward to continuing our mutually rewarding relationship with Mitsui", said Phillips. ■